



TRENDS IN INTERNATIONAL TRADE

UNITED STATES DEPARTMENT OF COMMERCE

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The U.S.-Singapore Free Trade Agreement

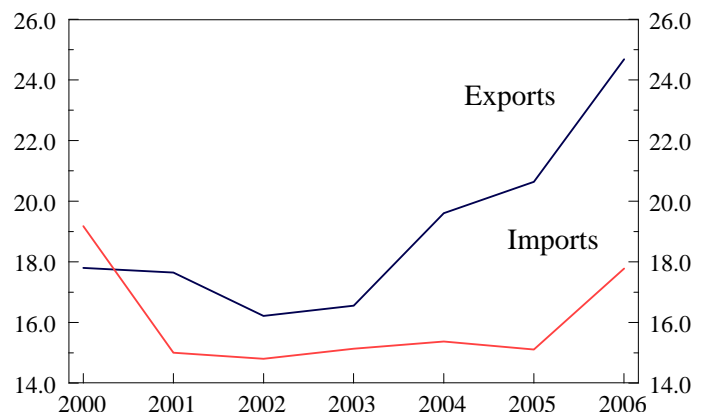
The U.S.-Singapore Free Trade Agreement is the first U.S. FTA with an Asian nation and it was the first FTA negotiated by the Administration signed by President Bush. The U.S.-Singapore FTA expands U.S. market access in goods, services, investment, government procurement, intellectual property, and provides for groundbreaking cooperation in promoting labor rights and the environment. This FTA is a vital platform for U.S. businesses to be better engaged in Asia. The agreement entered into force on January 1, 2004.

Overview

- Since implementation of the U.S.-Singapore FTA, total two-way goods trade (exports plus imports) between the U.S. and Singapore grew 34% to \$42.5 billion.
- The U.S. trade surplus with Singapore has quadrupled from \$1.4 billion in 2003 to \$6.9 billion in 2006.
- In 2006, Singapore was the 11th largest trading partner and the 9th largest export market for U.S. exports.
- Since 2003, U.S. goods exports to Singapore jumped 49.1 percent to \$24.7 billion in 2006. U.S. export growth to Singapore has outpaced U.S. total export growth during that period.
- U.S. imports from Singapore grew to \$17.8 billion, up 17.4 percent from 2003. Capital goods imports accounts for the majority of imports from Singapore.

US Merchandise Trade with Singapore

Billions of dollars



U.S. Goods Exports to Singapore under the Free Trade Agreement

- The largest gains in U.S. exports to Singapore between 2003 and 2006 were in capital goods, accounting for 68.2% of U.S. exports in 2006. Since implementation of the U.S.-Singapore FTA:
 - Exports of semiconductors increased by 49 percent to \$3.5 billion in 2006.
 - Exports of industrial machines increased by 132 percent to \$1.5 billion.
 - Exports of civilian aircraft engines grew by 117 percent to \$1.5 billion.
 - Exports of military aircraft increased by 480 percent to \$318 million.

Trade in Services under the Free Trade Agreement

- The U.S. has a \$2.6 billion surplus in private services trade, according to 2006 data (latest data available). Services exports stood at \$6.8 billion and imports totaled \$4.2 billion.
- In line with its FTA commitments, Singapore has developed one of the strongest IPR systems in Asia. Since implementation of the FTA, U.S. receipts of royalties and license fees have increased 26.2 percent to \$3.0 billion.